

CITY OF OREM  
CITY COUNCIL MEETING  
56 North State Street Orem, Utah  
March 10, 2015

**3:00 P.M. JOINT CITY/RDA STUDY SESSION – PUBLIC SAFETY TRAINING ROOM**

CONDUCTING	Mayor Richard F. Brunst
ELECTED OFFICIALS	Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, and David Spencer
APPOINTED STAFF	Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Steve Earl, Deputy City Attorney; Jason Bench, Planning Division Manager; Neal Winterton, Water Division Manager; Sam Kelly, Engineer; Ryan Clark, Economic Development Division Manager; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder
EXCUSED	Brent Sumner

**UPDATE – State Street – IBI**

David Nicholas, IBI Group associate, and Jason Bench presented an update on the Orem State Street Corridor Master Plan. Mr. Bell asked for the Council to provide feedback so any questions and issues could be addressed sooner rather than later.

Master Plan Elements

- Vision/Framework
  - Mobility
  - Land Use
  - Urban Design
  - Implementation
  - Vision Statement:

*Create a dynamic and incremental framework to guide future growth throughout the State Street Corridor resulting in economic development initiatives, transportation solutions and enhanced community image and identity. The State Street Corridor will promote a family-friendly culture while becoming an attractive, urban lifestyle alternative for residents, businesses and visitors.*
  - Objectives

- Create economic development initiatives
  - Create transportation solutions
  - Enhance community identity and image
- Project Goals
  - Provide regional, local and multimodal transportation solutions
  - Lateral approach to a linear corridor connecting adjacent neighborhoods east and west
  - Increase building frontage real estate through finer grain street and block network leveraging opportunities with Orem Boulevard
  - Concentrate density nodes around potential transit system station areas
  - Create a complimentary network of character districts to establish sense of place
  - Enhance urban open space system to encourage walkability, community gathering, healthy living and active storefronts
  - Improve the aesthetic appearance of the corridor
  - Redefine development standards and policies to manage growth
  - Maintain bedroom community character while embracing critical and strategically located mixed-use density
- Public Outreach/Communications Plan
  - Public meetings
    - Three open houses held
    - Two more open houses scheduled
  - MindMixer
    - Over twenty-one topics launched over five months
    - Topics included State Street traffic, safety, aesthetics, walkability, business and commercial development and variety, land use, and future transit opportunities
    - What do you want Orem to be known for? Top answers:
      - Family friendly and safe
      - Business friendly and progressive
      - Beautiful and attractive
- Framework Plan – Growth Nodes
  - Mobility
    - Signals/Boulevard/Street network
    - Multiway Boulevard
    - Future Transit
  - Land Use
    - Nodes/Districts
      - The North Village (1600 North)
      - Uptown (800 North)
      - City Center (Center Street)
      - Arts District (800 South)
      - University Place
    - Existing Conditions
    - Overall Corridor Projection
    - Growth Nodes

Mr. Macdonald asked about the breakdown of respondents on a given topic on MindMixer.

Mr. Nicholas said topics were launched and respondents had the opportunity to present ideas, which other respondents could reply to. Mr. Nicholas said the majority of respondents said they wanted to see more variety in the types and qualities of commercial and business developments, as well as more parks and open space. He said that was a good indicator that residents enjoyed current city parks and open space. Mr. Nicholas said in a recent topic showed 69 percent of respondents in support of State Street acting as a transit corridor for either Bus Rapid Transit (BRT) or Light Rail Transit (LRT) in the future. Even if public transit took fifteen years or more to establish in the city, it was important to plan for appropriately. Mr. Nicholas said in deciding what made the most sense for “downtown” Orem, the “downtown” area first needed to be created and/or defined. They had identified three of the growth nodes (City Center, Arts District and University Place) that would tie together to create Orem’s “downtown”. Five-year, ten-year, and twenty-five-year incremental growth plans had been developed for the identified key growth nodes. All data provided was hypothetical and subject to change. There were many ways development and growth could go, and these plans were just tools for a vision to be shared with private development and investment.

Mayor Brunst asked about other communities where malls had gone through a similar development expansion.

Mr. Nicholas said suburban mall conversion was happening in many areas throughout the country, from complete conversions like a mixed-use lifestyle center to hybrid conversion keeping the mall’s core and adding residential and business around it. Orem was looking at the hybrid option, as were malls in Arizona and Southern California. He said in twenty-five years, University Parkway could be an intermodal hub for transit.

Mr. Macdonald asked for direction on how the Council could best process the presented information to provide valuable feedback and ask applicable questions.

Mr. Nicholas said thoughts, first impressions, feedback from constituents and staff, as well as feedback from the public in general would all be helpful. Traffic models needed to be completed for projections regarding mobility, so if the Council wanted to focus on land use, that would help focus the conversation.

Mrs. Black clarified that nodes were the land use ideas the Council might focus on. She said thus far she appreciated the focus and detail on the nodes in the city. She was not surprised that beautification was a key element MindMixer respondents had specifically indicated what they hoped to see.

Mr. Davidson said there would be a site visit for the City Council to Salt Lake City and another to Ogden. Many of the ideas presented here had been done or were proposed in those areas so the Council could see first-hand examples of development.

Mr. Andersen asked about University Parkway and whether the proposed developments would increase or decrease traffic there. He wondered about the vision for improving the intersection.

Mr. Nicholas said they were more looking at the peripheral areas on the intersection to create better opportunities for development, but UDOT was focusing on the future of University Parkway.

Mr. Davidson said there were meetings scheduled with UDOT on March 11, 2015, at 3:00 and 4:00 p.m., discussing the University Parkway intersection.

#### FOLLOW UP – Utility Master Plan

Mr. Tschirki presented information he said he hoped would answer questions asked at the study session on February 24, 2015. He distributed information that showed per unit increases for typical residential versus nonresidential units. Mr. Tschirki explained that the \$9.38 amount was the average increase over the next five years, but initially the amount would be closer to \$12.00 dollars with later years at an amount closer to \$7.00. He said there would be an open house about the proposed increases, with the possibility of more. Brochures would be sent to all account holders with information about Capital Improvement Project (CIP) plans and rate increases in coming weeks, and a subsequent mailer after the open house.

Mrs. Black asked if there was a way to have the first increase be a smaller amount, and more evenly distributed through the years.

Mr. Tschirki said the proposed increase schedule was the recommended plan for CIP, but it could be modified. Mr. Macdonald clarified if the reason the initial increase was higher was to essentially “catch up” for years with no improvement. Mr. Tschirki said that was the case.

Mr. Andersen asked if the figures were monthly. Mr. Tschirki said they were monthly, under scenario 2, following the recommended CIP.

Mayor Brunst asked for clarification on identified projects for water, sewer, and storm water, which Mr. Tschirki provided. He explained that the amounts on the projects were in today’s dollars. Because they could not predict future inflation, those numbers were subject to change. There were areas of immediate need scattered throughout the city, like areas with 2-inch and 4-inch pipes when the current standard was nothing less than 8-inch pipes. Another immediate need would be a ten-million-gallon storage facility

Mayor Brunst asked where that facility might go and how it would be constructed.

Mr. Tschirki said a study would need to be done to determine those things, but the location would likely be in the middle of the city to accommodate needs on the west side. Mr. Tschirki said tertiary treatment was needed at the water treatment facility to help offset demands for peak summer usage in the southwest and central part of town. A new well was needed in southwest Orem, regardless of whether or not the proposed annexation took place, to help offset needs in that area.

Mayor Brunst asked about water availability usage and if a new well was necessary.

Mr. Tschirki said the usage would vary from year to year, and the well was necessary. The well would not increase water availability, but would give the ability to tap into the source from different geographic locations. It would not enlarge the water right, but increase availability.

Mr. Winterton said the CIP process was ongoing, year to year for the foreseeable future. Staff would continue to update the Council on needed CIP funding.

Mr. Tschirki said there had been discussion about automated metering infrastructure. 90 percent of costs with automated meters would come from replacing meters, and the other 10 percent would provide the tools to allow staff to monitor the system. While the online accounts and phone applications were nice tools for consumers, they were more valuable to city staff for customer service.

Mr. Winterton said Siemens was looking at the energy side of using automated meter systems.

Mayor Brunst asked about savings from using automated services.

Mr. Tschirki said there would be around 10 percent of a loss in actual water consumption. There would be some savings in terms of personnel, as meter readers would no longer be required, but technicians who could read the information would still be needed.

Mayor Brunst asked about other cities in Utah that had made these changes in utilities.

Mr. Tschirki said Orem was one of the last to look at this. Provo was already implementing theirs, and Sandy was on its second round.

Mayor Brunst asked about replacing the main line on State Street.

Mr. Tschirki said when that time came they would coordinate with UDOT and construct on the far west edge on the shoulder, outside of travel lane. There was a parallel system running up and down State Street.

Mr. Kelly said staff met with UDOT every month, and once Orem moved forward they would be coordinated with.

Mrs. Black asked about how CIP was prioritized.

Mr. Tschirki said projects were prioritized in terms of rate of return, or the ability to recoup the money, as well as immediate need.

Mrs. Black said it would be important for the brochures to present detailed information in such a way that the data was clear and understandable for all account holders.

Mayor Brunst agreed and said he thought it should be eye-catching enough that account holders would read the brochure and not discard it without reading. Communication about proposed changes would be a challenge but was important. He suggested making the information available online as well.

Mr. Davidson cautioned against overloading the brochure, or causing undue concern for residents about availability of some services.

Mr. Tschirki said information would be available online following the meeting. He said he could prepare a draft of the brochure for the City Council to review and give feedback.

#### DISCUSSION – University Place Participation Agreement

Mr. Stephens said the plan was to bring the University Place Participation Agreement before the Orem Redevelopment Agency (RDA) on March 24, 2015. The agreement was between the RDA and the University Mall Shopping Center LC. Mr. Stephens reviewed information on the tax increment reimbursement structure. It detailed what a developer had to do to be eligible to receive tax increment, and how much tax increment a developer could receive. The general definition of tax increment was the difference between property tax revenues generated for a specific piece of property, post development, and what the property taxes were for that same property during a given base year. In the project area plan, the base year determined for the project was 2013. Mr. Stephens said all the taxing entities would receive the same property taxes they received up to 2013. The tax increment reimbursement was the increase from the 2013 levels to the post development levels. The RDA entered into interlocal agreements with each taxing entity, and each of those taxing entities allowed the RDA to use a certain percentage of that tax increment. Alpine School District agreed to allow the RDA to use 65 percent, while the remaining entities of the City of Orem, Utah County, Central Utah Water Conservancy District, and the Metropolitan Water District allowed the RDA to use 75 percent of tax increment that was in play for the project area. Mr. Stephens said of the 65 to 75 percent in the project area plan, the RDA said it would keep 10 percent – 5 percent for administrative costs, 5 percent for RDA improvements. The remaining 90 percent of the available tax increment actually received by the RDA would be available to developers that met requirements. Mr. Stephens said the risk for the project was with the developer.

Mayor Brunst said the agreement involved no debt or bonding.

Mr. Stephens said the tax increment reimbursement structure was divided into eight benchmarks. The benchmarks indicated the required development, the reimbursable infrastructure, the estimated cost, the additional cap, and the total cap. He clarified that the “orchard/green space” referred to on Benchmark 1 was the equivalent of a public park, not necessarily an orchard of fruit trees.

Mrs. Black asked about the 10 percent the RDA would receive, and what the Woodbury Corporation would be receiving.

Mr. Stephens said each taxing entity would retain a percentage of the tax increment, with the Alpine School District retaining 35 percent and the other four entities retaining 25 percent. Of the amount retained by the RDA, the RDA would take out 10 percent of the 65 to 75 percent from the taxing entities.

Mr. Andersen asked whether RC Willey owned its retail space or if the mall owned that. He also asked if RC Willey was eligible for the tax increment reimbursement.

Kathy Olson, with Woodbury Corporation, said RC Willey already owned its retail space.

Mr. Davidson said the agreement was with Woodbury Corporation, not other entities. He said he could only speak to the relationship with Woodbury, but RC Willey was not part of that contract.

Mr. Stephens said that, ultimately, the maximum amount a developer could receive would be the lesser of what was listed as the total cap and the available tax increment the RDA actually received.

Mrs. Black asked for clarification on requirements.

Mr. Stephens said the structure was set up to encourage developers to get to Benchmark 8 and complete their projects. For flexibility on Benchmarks 2 through 7, each additional 100,000 square feet of office space there would have an associated parking structure that needed to be built. They could be reimbursed for actual costs on parking structure up to \$4 million for those benchmarks. If they reached Benchmark 8, the cap would be removed and they would be able to receive 90 percent of all available tax increment that was actually received by the RDA.

Mr. Andersen asked for clarification benchmarks.

Mr. Stephens said certain developments were required before any reimbursement or advancement to higher benchmarks. They would only get direct reimbursement for the reimbursable expenses, such as specified infrastructure.

Mr. Macdonald said the 100,000 of class A office space would cost more than \$10 million, so actual costs outweighed reimbursement.

Mr. Stephens said Lewis Young Robertson & Burningham had been retained to evaluate the terms of the agreement. The study showed the RDA was receiving fair value, and they believed the increment was necessary to drive development in project area.

#### BUDGET DISCUSSION / PREVIEW – Compensation

Mr. Davidsons said staff was preparing next year's fiscal budget. The General Fund included a majority of Orem employees' and staff's compensation. Approximately \$21 million in wages represented 50 percent or more of the General Fund. Employee compensation was something City management took very seriously. They looked at where Orem was in terms of the market for developing a long-term, sustainable plan for the future. There had been discussions in the past as to the classification of positions, and tools were used to assess the market. The Hay Group provided market information to develop compensation philosophy in the past. The City had contracted with Mike Swallow, owner and president of Personnel Systems and Services, to validate the information from the Hay Group. Mr. Swallow had worked with many agencies in Utah and, specifically, with local governments. Mr. Davidson turned the time over to Mr. Bybee, Mr. Manning, and Mr. Swallow to present where Orem was going with its compensation program and recommend a go-forward plan.

Mr. Bybee said his presentation represented a summary of data. They would give contextual information and focus on different market and benefit comparisons, as well as demographic trends leading to recommendations.

Orem City 2014/15 Compensation Study & Equity Instrument Validation

- Agenda

- Project Background & Context
- Market Comparison Tables
- Benefits Picture
- Employee Demographics
- Recommendations for Going Forward
- Project Objectives
  - Assess the need for revising weighted job factors (e.g. education, experience, certifications, safety, etc.)
  - Test & verify internal relationships
  - Determine need or interest for additional job factors/worth-of-work elements (e.g. stress, public interaction, increased emphasis on risk, etc.)
  - Market sample & analyze base pay & total compensation comparability
  - Review compensation administration practices, i.e., pay progression, pay plan design philosophy, etc.
  - Determine need to update pay ranges and revise pay grade assignments
- Historical Practices
  - Pay plan design
  - Pay progression objectives
  - Market posture – competitive position
- Ongoing Challenges
  - Economics – revenue stream
  - Marginal utility
  - Fiscal accountability
  - Recruitment issues & objectives
  - Talent retention
- Market Data – Survey Group (Data included from multiple <not necessarily all> benchmark matches)
- Orem Compensation Study
  - Pay range minimum rate comparison
    - Overall average -4.1%
  - Pay range midpoint rate comparison
    - Overall average -0.9%
  - Pay range maximum rate comparison
    - Overall average 1.3%
  - Current average actual pay comparison
    - Overall average -2.2%
      - Removing grade 4 puts the average at -0.4%
  - Survey range compared to Orem average
  - City range compared to city average
  - 60<sup>th</sup> percentile comparison – range minimum
    - Overall average -7.0%
      - Examining the average formal range 60<sup>th</sup> percentile minimum of the survey participants in comparison to Orem's formal range minimum, shows the city's pay range starting rates trailing the market on average -7.0%
- Benefits Picture
  - Core fixed benefits



- Health insurance, Life insurance, Health savings accounts, Vision insurance, Dental insurance, Cafeteria contributions, EAP, Wellness plans, misc.
    - Regular employees fixed benefits comparison (family coverage – hourly basis)
  - Core variable benefits
    - Retirement, Social Security, Medicare, Long term disability, Short term disability, misc.
    - Regular employees variable benefits comparison
      - Full-time fire employees received 28.75% in total retirement benefits and full-time police employees receive 44.39% in total retirement benefits
    - Regular employees Grade 10 base pay impact comparison
      - Starting pay of a Grade 10 at the 60% was \$42,574
  - City of Orem health plan analysis
  - Medical Claims – PEPM
  - Rx Claims – PEPM
  - Net Loss Ratio – PEPM
  - Orem Health Plan Utilization
    - Standard plan – 171%
    - High deductible – 56%
    - Retirees – 339%
      - Number covered by Retiree Plan
- Market Analysis Results
  - Jobs potentially ahead of market – 10 positions
  - Jobs potentially behind market – 27 positions
  - Mitigating considerations
    - Given the overall needs, interests, organizational philosophy and general understanding of the market place (based upon market analysis instruments) should the city place greater credibility upon the internal equity instrument?
    - What indicators currently support a necessity for action, i.e., attrition, recruitment issues, retention issues, talent development objectives, etc.?
  - Employee Overview
    - City of Orem Turnover 2005-2014
    - City of Orem employees leaving for other employment
    - Current Orem workforce age
    - Orem employee years of service
- Conclusions
  - The Hay internal equity methodology was generally validated and consistently reliable
  - The analysis of the city's compensation practices revealed that maintaining the 60<sup>th</sup> percentile philosophy resulted in:
    - The city is modestly lagging behind with regard to starting pay rates
    - Is competitively positioned with regard to midpoint rates
    - Enjoys a slight competitive edge with regard to pay range maximums

- As illustrated previously, the city lags in overall total compensation based upon benefit costs; however not accounted for in the benefit data is “level of benefit”, which dramatically influences costs, nor is the individual employer experience ratings that may govern premiums. The approach used is a comparison of “out-of-pocket” costs
- Going Forward
  - Reset compensation philosophy and update relevant supporting and communicating documentation (e.g. Employee Handbook)
  - Redesign pay plan structure relative to range practices
    - Market average proposed pay plan
    - Proposed pay plan – 60<sup>th</sup> percentile
  - Articulate potential pay progression formulas based upon learning curve, merit/performance (individual & work team recognition) and longevity
    - Salary increase historical view
    - Cost of living adjustments amongst comparable cities
    - Merit increases amongst comparable cities
    - Average base pay increases by industry
  - Reset organizational culture to expect and deliver excellence, through a redefined performance evaluation process
  - Prepare implementation strategy and timeline for compensation and classification adjustments (e.g. FY 2016 Budget Process, targeted pay grade adjustments)
  - Identify features and enhancements to job valuation method that can strengthen internal equity outcomes (e.g. through additional examination of job descriptions to ensure accuracy with current practices and note additional job valuation criteria)

The staff and Council discussed Orem’s general position in terms of employee compensation and benefits, comparison of positions with surrounding and comparable municipalities, employee retirement, and the recommendations moving forward with the budget.

Mr. Bybee clarified that in some positions comparison across the board with other municipalities and districts was difficult, but the comparisons were as close as could reasonably be done. Mr. Bybee said Orem wanted to be a little above market to recruit and retain the best talent, and maintain a competitive edge. He said market analysis was one tool in the box, with another being internal equity.

Mr. Manning said turnover rate of employees leaving Orem for other employment had been on the rise in recent years. Orem had seen no or minor increase in wages in several years, and the spike in employees leaving for other employment was most often those having been employed in the zero- to four-year range. They would work in Orem and learn their tradecraft, and then leave for higher paying employment elsewhere. Mr. Manning said it was preferable for the city to retain the employees they trained.

Mr. Davidson said during recent years of economic downturn, Orem had been able to retain key employees because of the “buffer” created by accelerating employees to midpoint within a three year period. That had been the historical practice, but with economic and other factors that system would not always be sustainable.

Mr. Bybee said the recommendation was to shift the paradigm from longevity to merit or performance based compensation, while still maintaining a competitive edge. The previous structures had created an expectation that was difficult to meet. Once everyone was in their appropriate range, a merit-based system would be better moving forward. Mr. Bybee said other cities were moving to the trend of merit versus market as well.

Mayor Brunst asked if this would be a two percent increase every year.

Mr. Davidson said the increase would not be a set number, but a particular commitment to a compensation program. The uncertainty for employees has posed a challenge, particularly for employees currently in the bottom ranges. If there was no prospect of progress, employees were likely to search out other opportunities, and Orem would lose quality employees. He said the philosophy would be to give an employee a range where they had the opportunity to progress through the entire range over the course of their career. If over the course of years an employee maintained strong performance, they would reach the top of the range. Important factors in that decision-making process would be employee evaluations from department directors, budget resources and availability of funds, and the market.

Mr. Bybee said they first wanted to show justification behind proposing these increases, and then more specific data would be determined and presented to the Council as part of the budget for Fiscal Year 2015.

Mr. Davidson said they had tentatively programmed 1 percent for structure, and a 3 percent merit increase for the budget that was included in the \$21 million for wages. If they were consistently willing to dedicate resources it would keep Orem from falling behind market as well as send a message to employees and staff that they were valued as important members of the organization. He said ultimately it was the Council's budget, but this was the recommendation.

### **5:30 P.M. STUDY SESSION – PUBLIC SAFETY TRAINING ROOM**

#### **CONDUCTING**

Mayor Richard F. Brunst, Jr.

#### **ELECTED OFFICIALS**

Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, and David Spencer

#### **APPOINTED STAFF**

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Steve Earl, Deputy City Attorney; Jason Bench, Planning Division Manager; Neal Winterton, Water Division Manager; Ryan Clark, Economic Development Division Manager; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

EXCUSED

Brent Sumner

Preview Upcoming Agenda Items

Staff presented a preview of upcoming agenda items.

PRESENTATION – Miss Orem Float Design Options

Kimberly Harris, Miss Orem Director, provided information and presented options on the float design for the upcoming season. The theme for this year’s SummerFest was “Dream Big”. She asked for input from the Council on which designs they would prefer and any changes they wanted to make to any existing designs.

Mayor Brunst thanked Ms. Harris for her efforts in working with the Miss Orem program and the City.

Agenda Review

The City Council and staff reviewed the items on the agenda.

City Council New Business

There was no new City Council business.

The Council adjourned at 5:53 p.m. to the City Council Chambers for the regular meeting.

**6:00 P.M. REGULAR SESSION – COUNCIL CHAMBERS**

CONDUCTING

Mayor Richard F. Brunst, Jr.

ELECTED OFFICIALS

Councilmembers Margaret Black, Tom Macdonald, Mark E. Seastrand, and David Spencer

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Jason Bench, Planning Division Manager; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

EXCUSED

Brent Sumner

**INVOCATION /  
INSPIRATIONAL THOUGHT  
PLEDGE OF ALLEGIANCE**

Kari Rutherford  
John Bartholomew

**APPROVAL OF MINUTES**

Mrs. Black **moved** to approve the February 24, 2015, City Council meeting minutes. Mr. Spencer **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard Brunst, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed** unanimously.

Mrs. Black **moved** to approve the February 25, 2015, Joint City Council/Alpine School District meeting minutes. Mr. Spencer **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard Brunst, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed** unanimously.

## **MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL**

### Upcoming Events

The Mayor referred the Council to the upcoming events listed in the agenda packet.

### Appointments to Boards and Commissions

Mayor Brunst **moved** to appoint Tim Smith, Christine Alleman, and Blake Tierney to the CARE Advisory Commission. Mr. Andersen **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard Brunst, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed** unanimously.

### Recognition of New Neighborhoods in Action Officers

There were no new Neighborhoods in Action Officers recognized.

## **CITY MANAGER'S APPOINTMENTS**

### Appointments to Boards and Commissions

Mayor Brunst **moved** to give the Council's advice and consent to the City Manager's reappointment of Sergio Okamura to the Board of Building and Fire Code Appeals. Mr. Seastrand **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard Brunst, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed** unanimously.

## **PERSONAL APPEARANCES**

Time was allotted for the public to express their ideas, concerns, and comments on items not on the agenda. Those wishing to speak should have signed in prior to the meeting, and comments were limited to three minutes or less.

John Reinhard, resident, said he had been thinking about the visual and physical appearance of State Street. He wondered how Orem could encourage private property owners to make improvements, and suggested that using CDAs might be a way to accomplish that. Mr. Reinhard thought that might incentivize businesses to develop, because they could receive benefit if they met certain benchmark specifications. He said the plans regarding State Street's future looked like a lot of thought had gone into them, and one important aspect of the plan was how to pay for those improvements and development.

Mayor Brunst took a moment to update the Council on recent business developments in the city, UTOPIA, and the current legislative session.

## CONSENT ITEMS

There were no Consent Items.

## SCHEDULED ITEMS

### 6:20 P.M. PUBLIC HEARING – Culver Sign Zone

ORDINANCE - Amending Section 14-3-3 of the Orem City Code (Freestanding Signs: (Pole & Monument) (7) Sign Zone Table) by creating a new Sign Zone “F,” and amending the sign zone for property located generally at 780 North 1200 West from Sign Zone E to Sign Zone F

Jason Bench reviewed with the Council the applicant’s request that the City Council, by ordinance, amend Section 14-3-3 of the Orem City Code (*Freestanding Signs: (Pole & Monument) (7) Sign Zone Table*) by creating a new Sign Zone “F,” and amending the sign zone for property located generally at 780 North 1200 West from Sign Zone E to Sign Zone F.

The applicant, Spencer Young, was currently constructing the Culver’s restaurant at 780 North 1200 West which was adjacent to I-15 on the southeast side of the 800 North interchange. The Culver’s site was in Sign Zone E which allowed pole signs to be constructed thirty-five feet above the natural grade or twenty-five feet above the grade of the freeway, whichever was greater.

The Culver’s property was located in a natural depression and the applicant had determined that its signs would not be adequately visible to traffic traveling north on I-15 at the height allowed in Sign Zone E. Specifically, the applicant believed that traffic traveling north on I-15 would not have enough time to identify the Culver’s sign in time to exit the freeway. The applicant conducted a study showing balloons at twenty-five and fifty feet above the height of the freeway and concluded that locating the sign fifty feet above the freeway was necessary to provide adequate visibility for northbound traffic to identify their business in time to exit the freeway.

A topographic survey was conducted by the Engineering department to verify the difference in elevation between I-15 and the Culver’s site. The results showed the Culver’s site to be approximately thirteen feet (12.94 feet) lower than the grade of I-15.

Because of the topographically depressed location of the applicant’s property, staff recommended that a new sign zone be created to address this specific area without altering all of Sign Zone E (which generally applied to properties located adjacent to the I-15 corridor throughout the City). The proposed Sign Zone F would allow signs in topographically depressed areas to have a maximum height of thirty-five feet above the natural grade or fifty feet above that point of I-15 located directly perpendicular to the sign, whichever was greater. All other regulations for signs in Sign Zone F would be subject to the same regulations as signs in Sign Zone E.

If the proposed amendment was approved, the applicant would be allowed to construct a sign with a height of sixty-three feet. The City Council approved an amendment to the PD-22 zone

(west of 1200 West) in May 2011 to allow the Marriott hotel at 873 North 1200 West to construct an eighty foot tall sign for similar visibility reasons.

A neighborhood meeting for the proposed amendment was held on January 29, 2015. Four people were in attendance, all of whom were associated with the Culver's restaurant.

The Planning Commission recommended the City Council, by ordinance, amend Section 14-3-3 of the Orem City Code (Freestanding Signs: (Pole & Monument) (7) Sign Zone Table), by creating a new Sign Zone "F," and amending the sign zone for property located generally at 780 North 1200 West from Sign Zone E to Sign Zone F.

Mr. Young thanked the City for the opportunity to come to Orem and to express these concerns. His concern was that his business could not be seen and might fail, like the gas station that had previously been on the property, because of its location in a depressed or "bowl" area that was substantially lower than the freeway deck. They wanted their signs to be seen from the freeway to allow the opportunity to draw in more business.

Mayor Brunst asked if Culvers was a franchise, and Mr. Young said it was a national franchise, and this location would be the seventh Culvers in Utah. His family would own and manage the location.

Mrs. Black asked when the opening was scheduled. Mr. Young said the projected opening date was April 27, 2015, so long as the weather cooperated and construction went well. They planned to have a VIP night, which the Council would be invited to.

Mayor Brunst opened the public hearing. There were no public comments, so Mayor Brunst closed the public hearing.

Mr. Macdonald **moved**, by resolution, to amend Section 14-3-3 of the Orem City Code (Freestanding Signs: (Pole & Monument) (7) Sign Zone Table) by creating a new Sign Zone "F," and amending the sign zone for property located generally at 780 North 1200 West from Sign Zone E to Sign Zone F. Mrs. Black **seconded**. Those voting aye: Hans Andersen, Margaret Black, Richard Brunst, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed** unanimously.

RESOLUTION – Authorizing the City Manager to execute a partial release of two development agreements recorded against a portion of property in the PD 21 zone (1200 South Geneva Road).

Steve Earl and Jason Bench reviewed with the Council the applicant's request that the City Council, by resolution, authorize the City Manager to execute a partial release of two development agreements previously recorded against property in the PD-21 zone (1200 South Geneva Road).

Prior to adopting the PD-21 zone in 2000 (the original Parkway Crossing—now Wolverine Crossing and other projects), the City entered into a development agreement with the original developer of the property concerning a number of issues (hereinafter referred to as the "2000 Development Agreement"). In 2002, the City entered into a second development agreement with the developer (hereinafter referred to as the "2002 Development Agreement")

which made certain modifications and additions to the 2000 Development Agreement. Both development agreements were recorded against the property in the PD-21 zone.

Ben Lowe was the developer of “Area 2” in the PD-21 zone (on the eastern edge adjacent to the railroad tracks). The lenders for the project had requested that the two development agreements be released as to Area 2 upon fulfillment of all terms that apply to Area 2.

The requirements of the two development agreements as well as the status of each requirement is summarized below:

1. Developer to construct an overpass, monorail or gondola over I-15 to connect the project with UVU. If construction of the overpass is determined to be impossible or unfeasible, developer is required to increase shuttle capacity to allow capacity to move 20% of the residents between the project and UVU every hour. Must have shuttle departures every 10 minutes during peak hours.

**Status:** This requirement was also included in the text of the original PD-21 zone. A subsequent developer determined that construction of an overpass, monorail or gondola was impossible or unfeasible and requested that the City Council remove this requirement from the ordinance. On October 23, 2007, the City Council amended the PD-21 zone to remove the requirement that the developer construct an overpass or gondola. The City Council also removed the requirement that the developer provide a private shuttle service because UTA had begun providing bus service from the project to UVU.

2. Install sewer lines that gravity feed into the City's trunk line in 1000 South just west of Geneva Road.

**Status:** Completed.

3. Dedicate a strip of land 12' in width along the western boundary of the PD-21 zone (adjacent to Geneva Road) from 1000 South to University Parkway and construct road widening improvements.

**Status:** Completed.

4. Dedicate an additional strip of land 15' in width along the western boundary from 1000 South to University Parkway just east of the previous dedication for construction of sidewalk and public utilities. Developer to install 8' sidewalk in this strip.

**Status:** Completed.

5. Construct and dedicate a signalized intersection at 1000 South and Geneva Road. Install a fiber connection to the new signal from the existing signal at University Parkway and Geneva Road.

**Status:** Completed.

6. Reconstruct the east leg of 1000 South through UVU from the intersection of 1000 South and Geneva Road to the project site.



**Status:** This obligation was completed by UTA when they constructed and dedicated 1000 South Street to provide access to the intermodal station.

7. Provide access to the project from Geneva Road directly opposite the main access into the UTA property at 1100 South Geneva Road.

**Status:** Completed.

8. Install a raised median on University Parkway from the intersection with Geneva Road to a point located approximately 600 feet east of the intersection with Geneva Road.

**Status:** The City Traffic Engineer has determined that a raised median in this location would not be in the best interest of the City. Therefore, this obligation has not been completed.

9. Contribute \$200,000 to the City for future construction of a public safety building on the west side of I-15.

**Status:** Some property owners in the PD-21 zone have paid their proportionate share of this obligation and the City is working on collecting from those owners who have not yet paid their share. The applicant has agreed to pay his proportionate share before the City Manager executes a release.

10. Project to be developed as one single project as shown in Appendix X.

**Status:** Although the project was originally intended to be constructed as a unified development, the original developer allowed options on some of the parcels in the PD-21 zone to expire which resulted in the zone being developed as separate projects. The City Council has approved amendments to Appendix X (the PD-21 concept plan) to allow separate developments. However, the City has attempted to ensure cross access across each of the properties in the PD-21 zone.

As the above summary indicated, the only item that had not been fully completed or modified (expressly or implicitly) by the City was the requirement to make a payment toward a future public safety building as described in item 9.

At this time, the applicant was only requesting that the City Council release the two development agreements as to his property (Area 2—approximately 11.48 acres) and only after he made the payment of his proportionate share toward a new public safety building (\$43,360). However, in the interest of efficiency, staff also requested that the City Council authorize the City Manager to execute a partial release with respect to any other property owner who also paid their respective share of the \$200,000.00 public safety contribution.

City Staff recommended that the City Council, by resolution, authorize the City Manager to execute a partial release from the 2000 Development Agreement and the 2002 Development Agreement for any property in the PD-21 zone for which payment of its proportionate share of the public safety building contribution has been received.

Mayor Brunst **moved**, by resolution, to authorize the City Manager to execute a partial release of two development agreements recorded against a portion of property in the PD 21 zone (1200 South Geneva Road). Mr. Andersen **seconded**. Those voting aye: Hans Andersen, Margaret Black, Richard Brunst, Tom Macdonald, Mark Seastrand, David Spencer. The motion **passed** unanimously.

## COMMUNICATION ITEMS

Mr. Davidson said UVU and Slide the City had approached the City about having a large waterslide in conjunction with the first week of school activities. The slide would go down 800 South and impact homes and traffic in that specific area for one day. Only approximately 100 of these events would be scheduled this year throughout the USA, and this would be the only event in Utah County. Anyone looking to participate would purchase an armband for specific times to slide. Mr. Davidson said he would bring this issue to the Council for consideration.

Mr. Macdonald asked if the liability issues had been considered. Mr. Davidson said they had been resolved. Mr. Macdonald said he thought it would be a fun activity and a great opportunity for partnership with the City and UVU.

Mrs. Black suggested homeowners that were inconvenienced should get a free slide or some kind of compensation. Mr. Davidson assured the Council that they would be taken care of.

Mayor Brunst asked about safety and emergency personnel at the event. Mr. Davidson said they could require those, as well as private security.

Mr. Seastrand asked about parking for the event. Mr. Davidson said the student lots would accommodate for parking.

Mr. Davidson asked the Council to consider the possibility of a City Council Retreat on April 17, 2015. This would be a one day event, likely held at the Sundance Resort. He said they would receive an email invitation, and asked that Council check their calendars and respond to email.

Mr. Davidson said there was the opportunity of attending a CenturyLink presentation in Las Vegas and making a site visit to see how the equipment worked. The site visit was scheduled for April 8, 2015, tentatively at 3:00 p.m., as Council would already be in the vicinity for the Utah League of Cities and Towns conference in St. George.

Mayor Brunst requested they have the opportunity to speak with public officials from the area and they were in favor of that.

Mr. Seastrand expressed concern about construction traffic adding many hours to the drive and cutting into the time of the conference.

Mr. Macdonald asked what the hope was in attending the presentation.

Mr. Davidson said they would get to see actual equipment and watch fiber installation, as well as speak with the local officials. They could ask questions and get a feel for the expansion of a fiber network.

## **CITY MANAGER INFORMATION ITEMS**

There were no City Manager information items.

## **ADJOURNMENT**

Mr. Andersen **moved** to adjourn the meeting. Mr. Macdonald **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner. The motion **passed** unanimously.

The meeting adjourned at 6:43 p.m.

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Donna R. Weaver, City Recorder

Approved: March 25, 2015